

REAL ESTATE BULLETIN



EDMUND G. BROWN JR., *Governor*

Spring 1977

DAVID H. FOX, *Commissioner*

NEW REGULATIONS

FRANCHISEE—NEED FOR DISCLOSURE

Although relatively new to the real estate industry, the concept of franchising has been used since the earliest history of civilization when merchants banded together to travel and trade in Egypt. Merchants of the Middle Ages brought the idea back to Europe from the Far East. Franchising first appeared in America almost a century ago according to business historians.

PACKAGING CONCEPT

It wasn't until after World War II that franchising evolved from a distribution system into a total business concept that we know today—a "package" involving training, equipment selection, purchasing, staffing, advertising, sales promotion and operating procedures.

Real estate in California, in spite of franchising, has long been thought of as a one-man operation until a decade or so ago when franchise "packages" were offered to

(Continued on page 3)

In This Issue

For Your Information	2
Attorney General Opinion	4
Fair Lending Regulations	4
DRE Spotlights	5
Things and People	6
Your Attention Please	7
1976 R. E. Bulletin Index	8

On February 2, 1977, the Real Estate Commissioner adopted regulation changes which are effective on March 12, 1977. A public hearing was conducted on these proposed changes in late November 1976.

The more significant of the changes are summarized below. A complete text is available at any office of the department.

Those regulation changes for administration of the Real Estate Law are as follows:

REAL ESTATE EXAMINATIONS A REPORT

During January 1977, 9,100 examinations were administered to applicants for real estate salesman license. This represents an all time one month record for sales examinations.

An all time record was also set for the calendar year 1976 when a total of 77,980 examinations were administered for both salesman and broker licenses.

Multi-State Exams

The multi-state examination program administered in Alabama, California, Colorado, Georgia, Guam, Idaho, Oregon, Utah and Washington has exceeded 300,000 examinations since inception of the program in October 1973.

Due to a partial reciprocity agreement among the participating states, an applicant who has passed the multi-state portion of the exam in one state and obtained a license in that state need not retake it when application is made for licensure in another participating state.

BROKER RECORD INFORMATION

Regulation 2715 is amended to differentiate between the information that must be maintained on file with the department by a real estate broker who is operating as such in his own right and a real estate broker acting in the capacity of a salesman to another broker.

BRANCH OFFICE LICENSE

Regulation 2728.5 has been adopted to specify that a real estate broker acting in the capacity of a salesman to another broker may perform licensed activities at any business office of his employing broker without having to obtain a branch office license from the department.

RESPONSIBILITY FOR INSTRUMENT CHANGES

Regulation 2901 has been amended to clarify the responsibility of a real estate licensee in those transactions where additions or changes are made to an instrument after the instrument has been executed.

FURNISHING COPIES OF INSTRUMENTS

Regulation 2902 has been amended in order to clarify a licensee's responsibility as agent in a real estate transaction to furnish a

(Continued on page 7)

REAL ESTATE BULLETIN

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The *Real Estate Bulletin* is a quarterly published by the State of California, Department of Real Estate, as an educational service to all real estate licensees in the state under the provisions of Section 10083 of the California Business and Professions Code.

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Disciplinary Action—July-December 1976

REB—Real estate broker RES—Real estate salesman REO—Real estate officer
RREB—Restricted real estate broker RRRES—Restricted real estate salesman REC—Real estate corporation

NOTE: A list of actions is not published in this *Bulletin* until the 30-day period allowed for court appeal has expired; or if an appeal is taken on the disciplinary action stayed, until the stay is dissolved. Names of persons to whom licenses are denied upon application are not published.
* Not previously published

FOR YOUR INFORMATION

Many *Bulletin* readers have inquired about the meaning of the code sections listed as having been the basis for disciplinary action against a licensee. This column will appear as a regular feature and provide a brief summary of each code section appearing in the disciplinary listings. We believe these summaries will give more meaning to the disciplinary information.

Code section summaries will vary from issue to issue as they will correspond with the sections appearing in the disciplinary listings in the particular *Bulletin* issue.

Business and Professions Code

490	relationship of conviction to licensed activity	10177 (d)	violation of real estate law or regulations		tion to sell or lease subdivision
10137	unlawful payment of compensation	10177 (f)	conduct that would have warranted denial of a license	11010.5	requirements for filing a second notice of intention to sell
10142	failure to deliver copy of agreement to signatory	10177 (h)	failure to supervise salesmen	11012	material change in subdivision without notice
10145	trust fund handling	10177 (j)	fraud or dishonest dealing not in licensed capacity	11013.1	sale of subdivided lands under blanket encumbrance
10148	retention and availability of real estate broker records	10177 (k)	violation of restricted license conditions	11018.2	illegal subdivision sales (sale of subdivision lots without public report)
10162	office abandonment	10177.5	civil fraud judgment based on licensed acts		
10165	violation of license status laws	10241 (a)	failure to disclose loan expenses on Mortgage Loan Disclosure Statement		
10176 (a)	making any substantial misrepresentation	10242 (a)	expenses exceeding maximum chargeable to borrower		
10176 (b)	making false promise	10248.1	licensee receiving or negotiating loan costs and penalties exceeding maximum		
10176 (e)	commingling trust funds	10270	offering illegal real estate syndicate securities		
10176 (g)	secret profit or undisclosed compensation	11000	"Subdivision" defined		
10176 (i)	fraud or dishonest dealing in licensed capacity	11010	failure to file notice of intention to sell or lease subdivision		
10177 (b)	conviction of crime				

Regulations

- 2715 brokers failure to maintain current address with DRE
- 2731 use of fictitious business name not appearing on license
- 2832 failure to timely deposit trust funds
- 2843 collection of unearned fees from borrower
- 2971 use of unapproved advance fee agreements

LICENSES REVOKED

Name	Address	Effective date	Violation Code/Commissioner's Regulations
* Metzker, Mike Maurice (RES)	1160 Webb St., Montague	6/21/76	490, 10177 (b)
* Trainor, Walter Elliott Jr. (RREB)	4960-8th Ave., Sacramento	6/29/76	10145, 10176 (a) (b) (i), 10177 (k), 2832
Klaus, Ileen Maulsby (REB)	914 S. Barrington, Brentwood	7/6/76	490, 10177 (b)
Weaver, George Henry Jr. (RES)	2415 Washington, Venice	7/6/76	490, 10177 (b)
Babinski, Fred J. (RES)	12623 Cranbrook Ave., Hawthorne	7/17/76	490, 10177 (b)
Moreno, Victor Hugo (RES)	834 S. Keniston Ave., Los Angeles	7/14/76	490, 10177 (b)
Simmons, David Henry (RES)	1461 Potrero Way, Sacramento	7/14/76	490, 10177 (b)
Ehrlich, Richard Kenneth (REB)	4901 Overland Ave., Culver City	7/22/76	10177 (b)
Terry, Arvil Titus (RES)	791 Lori Lane, Chula Vista	7/26/76	10176 (e) (i), 10177 (d) (k)
Katz, Leonard (RES)	8509 Capistrano Ave., Canoga Park	7/27/76	490, 10177 (b)
Great Pacific Investment Corp. (REC)	501-10th St., Sacramento	7/29/76	10177 (d), 11010, 11013.1, 11018.2
Pagliari, James Vincent (RES)	223 Partridge Dr., Grass Valley	7/29/76	10177 (d) (f) (j), 10270, 11010, 11013.1, 11018.2
Resource Review, Inc. (REC)	501-10th St., Sacramento	7/29/76	10177 (d) (f) (j), 10270, 11010, 11013.1, 11018.2
Vance, Robert Louis (RES)	P.O. Box 776, Kings Beach	7/29/76	10177 (d) (f) (j), 10270, 11010, 11013.1, 11018.2
Williamson, Norman Richard (REB)	1239 Tuolumne Rd., Millbrae	8/2/76	10177 (d), 11010, 11018.2
Davenport, Manuel (RES)	3325 W. Manchester Ave., Inglewood	8/10/76	490, 10177 (b)
Mason, Dick Halbert (RES)	225 Mooncrest Ln., Santa Maria	8/10/76	490, 10177 (b)
DeLong, Harold Eugene (REB)	12072 Bayport Ave., Los Angeles	8/17/76	490, 10177 (b)
Staples, Milo Ernest III (RES)	22411 Devlin St., Hawaiian Gardens	8/17/76	490, 10177 (f)
Tessler, Carole Lynn (RES)	10251 Fern St., #425, Stanton	8/17/76	490, 10177 (b)
Turner, Arthur Dock Jr. (RES)	2505 W. Manchester Blvd., Inglewood	8/17/76	490, 10177 (b) (f) (k)
Johnson, Lita Suzanne (RES)	981 Tennyson Rd., #105, Hayward	8/18/76	490, 10177 (b) (f)
Chamberlain, Thomas Max (REB) (REO)	23500 Long Valley Rd., Ste. B, Hidden Hills	8/20/76	10177 (d) (j), 11010, 11018
United California Development Corp. (REC)	14724 Ventura Blvd., Ste. 1201, Sherman Oaks	8/20/76	10177 (d) (j), 11010, 11018
Anderson, Herman Jr. (REB)	10024 Adams Ave., Huntington Beach	8/25/76	490, 10177 (b) (j)
Bingman, Vandall Dawes (RES)	24148 Avenida Crescenta, Valencia	8/31/76	490, 10177 (b)
Burns, John Thomas (RES)	8380 Northgate, #16, Canoga Park	8/31/76	490, 10177 (b)
Morris, Richard Robert (RES)	1130 W. San Bernardino, Covina	8/31/76	490, 10177 (b)

(Continued on page 3)

(Continued from page 2) LICENSES REVOKED

Swinford, Robin James (RES)	327-B Calliope St., Laguna Beach	8/31/76	490, 10177 (b)
Harwick, Charlene (RES)	2840 Livmor Ave., Palm Springs	9/1/76	490, 10177 (b)
Walker, Vergea Lee (REB)	19428 Hillford Ave., Carson	9/2/76	10145, 10176(e) (i), 10177 (d)
Dba—Turner-Walker Realty Company			
Fisher, Edward Charles (RES)	4502 Hillview Dr., La Mesa	9/7/76	490, 10177 (b)
Magee, Frank Joseph (REB)	2207 S. Arlington Ave., Torrance	9/15/76	490, 10177 (b)
Sapiro, Stanley Marvin (REB)	1255-10th St., #207, Santa Monica	9/16/76	490, 10177 (b)
Dba—Golden Bear Investment			
Wen, Mimi Seetoo (RES)	100 S. Doheny Dr., Los Angeles	9/16/76	490, 10177 (b)
Niergarth, Frederick Arthur (REB) (REO)	100 N. Winchester Blvd., Rm. 260, San Jose	9/20/76	490, 10177 (b) (f)
Dba—Investment Administrators			
Ferguson, Exzavor Eugene (RES)	8731 Lind Vern Ct., Santee	10/5/76	490, 10177 (b)
Stanley, Terry Brent (RES)	236 S. Ash, Anaheim	10/5/76	490, 10177 (b)
Estes, James Roland Jr. (RES)	2676 El Camino Real, Santa Clara	10/12/76	490, 10177 (b)
Chase, Robert Lee (RES)	5730 Park Crest Drive, San Jose	11/15/76	490, 10177 (b)
Dominick, William R. (REB)	5935 Alhambra, Oakland	11/15/76	490, 10177 (b) (k)
Carter, Nardell (RES)	13147 Mercer Street, Pacoima	11/16/76	490, 10177 (b)
Flores, Jolinda (RES)	16205 Klamath Street, Valinda	11/16/76	490, 10177 (b)
Foss, Carl Gregory (REB)	1464 W San Carlos Street, San Jose	11/16/76	490, 10177 (b)
Hallenbeck, Dean Owen (RES)	1922 The Alameda #402, San Jose	11/16/76	490, 10177 (b)
Hurley, Patrice Katherine (RES)	10975 Bluffs Drive, Hollywood	11/16/76	490, 10177 (b)
Lashley, Deward William (RES)	410 Maple, Apartment 4, South San Francisco	11/16/76	490, 10177 (b)
Martin, William Wesley (RES)	1946 Stanley Avenue, Santa Clara	11/16/76	490, 10177 (b)
Matthews, Harold Theodore (REB)	3070 Malcolm Ave., Oakland	11/16/76	10145, 10176(e) (i), 10177 (d) (f) (k)
McIntosh, Terry Joe (RES)	2755 Country Drive #141, Fremont	11/16/76	10176(e) (i), 10177 (f) (j)
Oldfin, John Gerard (RES)	1900 Camino Real, Suite E, Palm Springs	11/17/76	490, 10177 (b) (f) (j)
Johnson, Edison E. (RES)	1851 West 54th Street, Los Angeles	11/18/76	10176(e) (i)
Bacigalupi, Benton Louis (RES)	2379 Shearer Crescent, Prince George BC Canada	11/19/76	10177 (f)
Figoni, Frank Dennis (RES)	1001 S. El Camino Real, San Mateo	11/19/76	490, 10177 (b)
Wright, Ernest Dean (REB)	742 Toulumne Street, Vallejo	11/23/76	10162, 10165
Harkins, Robert Glenn (RES)	1824 El Parque, San Mateo	11/24/76	10177 (f) (j)
Klock, Clayton Jay (REB)	1501 North Broadway, Ste. 200, Walnut Creek	11/30/76	10145, 10176(a) (e) (i) 10177 (d) (f) (j), 10241 (a) 10242(2), 10248.1, 2843, 2871
Rosenberg, Bert Morton (REB)	P.O. Box 1185, 531 N. Lake Blvd., Tahoe City	11/30/76	10177 (j)
Jensen, Fredrick Ernest (REB)	P.O. Box 391, 1250 S. Main Street, Yreka	12/1/76	10177 (d), 11000, 11010, 11018.2
Gonzalez, Mariano (RES)	4817 E. Florence Avenue, Bell	12/7/76	10137, 10176 (g) (i), 10177 (d)
James, Norman (REB) (REO)	320 North Park Vista Street, Sp. 36, Anaheim	12/9/76	10148, 10177 (d)
Norman James Realty, Inc. (REB)	320 North Park Vista Street, Sp. 36, Anaheim	12/9/76	10148, 10177 (d)
Tucker, Frederick Lee (RES)	705 E. Stepney St., Inglewood	12/14/76	10177 (b)
Curcio, Lawrence Carmen (REB)	3980 Clairemont Mesa Blvd., San Diego	12/16/76	10177.5
Dba—L & H Realty			
Linn, Thomas J. (REB)	7106 Bodega Ave., Sebastopol	12/20/76	10177 (f) (j)
Pariani, Raymond Louis (RES)	321 Columbus Ave., San Francisco	12/22/76	490, 10177 (b)
Berg, Gordon Donald (RES)	723-14th Street, Modesto	12/27/76	490, 10177 (b)
Crosby, Donald Richard (REB)	1633 W. Imola Ave., Napa	12/29/76	10177.5

LICENSES REVOKED WITH A RIGHT TO A RESTRICTED LICENSE

Name	Address	Effective date	Violation Business and Professions Code/Commissioner's Regulations
* Phelps, Janice Lynn (RES)	725 N. Fig, Apt. 55, Escondido	6/17/76	490, 10177 (b)
(Right to RRES license after 6 months on terms and conditions)			
* Capen, O. Richard (RES)	12135 Riverside Dr., N. Hollywood	6/29/76	490, 10177 (b)
(Right to RRES license on terms and conditions)			
Bloom, Martin Joel (REB)	240 Keats Circle, Pleasant Hill	7/6/76	490, 10177 (b) (f)
(Right to RREB license after 60 days on terms and conditions)			
Pinoli, Wayne Joseph (RES)	3559 Airway Dr., Ste. 6, Santa Rosa	7/6/76	490, 10177 (b) (f)
(Right to RRES license on terms and conditions)			
Pratt, Harry Truman (REB)	320 N. Vermont Ave., Ste. 200, Los Angeles	7/6/76	490, 10177 (b)
(Right to RREB license on terms and conditions)			
Welch, Jeff Robert (RES)	1275 Piedmont Rd., San Jose	7/6/76	490, 10177 (b) (f)
(Right to RRES license on terms and conditions)			
Hershberger, Virginia L. (RES)	3863 Ridgemoor Dr., Studio City	7/13/76	490, 10177 (b)
(Right to RRES license on terms and conditions)			
Holman, Dwayne Ellis (REB)	P.O. Box 683, 265 Tamarack Lane, Tahoe City	7/15/76	490, 10177 (b)
(Right to RREB license on terms and conditions)			
Hicks, Arthur Lawrence (REB)	1145 Coloma Way, Roseville	7/25/76	10176(a) (i)
(Right to RREB license after 30 days on terms and conditions)			
Ferrari, William Frank (REB) (REO)	2110 K St., Sacramento	7/29/76	10177 (d) (f) (j), 10270, 11010, 11013.1, 11018.2
(Right to RRES license on terms and conditions)			
Drybread, Gene Earl (RES)	P.O. Box 635, Quincy	8/2/76	490, 10177 (b)
(Right to RRES license on terms and conditions)			
Newton, George Ezra Jr. (REB)	Star Route Box 675, Phelan	8/3/76	490, 10177 (b)
(Right to RREB license on terms and conditions)			
Alfinito, Alfred (REB) (REO)	1783 Hester Ave., San Jose	8/9/76	10145, 10177 (d)
(Right to RREB license on terms and conditions)			
Dollar Home Loan (REC)	1783 Hester Ave., San Jose	8/9/76	10145, 10177 (d)
(Right to RREB license on terms and conditions)			
Linger, Reuben Ovid (REB)	1804 N. Main St., Milpitas	8/13/76	10145, 10176(e), 10177 (d) (f)
(Right to RRES license on terms and conditions)			
Welch, Larry Hal (RES)	17361 Beach Blvd., #23, Huntington Beach	8/17/76	490, 10177 (b)
(Right to RRES license on terms and conditions)			

(Continued on Page 6)

FRANCHISE—

(Continued from page 1)

independent real estate brokers.

Franchise ads frequently appear in the news media listing member brokers' listings for sale. More often than not such ads identify the broker/agents as independent real estate brokers or disclose that the named brokers are independently owned and operated thus clarifying their independent status to the buying or selling public.

NEED FOR DISCLOSURE

On some few occasions franchise ads appear without disclosure of independent status of franchise members which causes customers to believe they are transacting real estate business with a national or regional company when in fact the brokers are independent and do not necessarily offer "broad scale" services. This is misleading advertising and will lead to appropriate disciplinary action by the DRE.

IN MEMORIAM

Lee V. Sida passed away March 1, 1977. Lee was Chief Deputy in charge of the Homeowners Association desk at the DRE in Sacramento at the time of his death. An employee for 22 years, he served in practically every aspect of the departments activities and was well known throughout the real estate industry particularly in the subdivision field. Lee is survived by his wife Lenora and five children.

RESEARCH REPORT AVAILABLE

An Examination of the Buying Considerations and Purchase Feelings of the Middle and Low Income Apartment Dwellers and College Seniors Toward Single Family Dwelling Units, by Dennis H. Tootelian, School of Business and Public Administration, California State University, Sacramento. Cost \$1.50 plus tax. Order from Department of Real Estate, 714 "P" Street, Sacramento, California 95814.

The Need for a Subdivision Public Report

Attorney General Opinion

The Attorney General has recently issued an opinion having to do with "quartering" * of land which is certain to be of more than passing interest to those licensees involved in unimproved rural land transactions. *The essence of the opinion is that a real estate broker must obtain a subdivision public report if he takes a listing from the owner of a parcel of real property with the intention of acting as agent of successive independent and unrelated owners of components of the original parcel in negotiating sales which result in the division of the original parcel into five or more component parcels.*

SPECIFIC EXAMPLE

The specific example for which the opinion of the Attorney General was requested hypothesizes that real estate broker "B" or his agent takes a listing on a 40-acre parcel from the owner. "B" thereafter negotiates a sale to "A" advising "A" that he may divide the 40 acres into four 10-acre parcels and that "B" will accept a listing on the 10-acre parcels and attempt to sell each of them for "A". "A" does list the four parcels with "B", and "B" is successful in selling one parcel each to "C", "D", "E" and "F" who are bona fide purchasers acting independently of "B" and of each other.

In negotiating the sales to "C", "D", "E" and "F", "B" advises each of them that he or she may divide the 10-acre parcel into four 2½-acre parcels. "B" also offers to take a listing to sell each of the 2½-acre parcels if the division is effected by the owner. "C", "D", "E" and "F", still acting independently, each divides his parcel into four 2½-acre parcels and all of them list these parcels for sale with "B".

According to the Attorney General's reasoning, "B" must file a notice of intention to subdivide and must obtain a public report before offering the 10-acre parcels for sale. This conclusion appears to assume that at the time that he proposes to negotiate the sale of the 10-acre parcels for "A", "B" has already formed the intent of seeking to list and to negotiate the sale of at least one of the 2½-acre parcels offered for sale by "C", "D", "E" or "F". If this were not the case, it could not be said that "B" proposed to cause the 40-acre parcel to be divided into more than four parcels for the purpose of sale or lease.

The opinion does not indicate whether either the listing or the negotiation of a sale of a 2½-acre parcel by "B" is a requisite element of his being classified as a subdivider for purposes of the Subdivided Lands Law. The reasoning, however, suggests that "B" becomes a subdivider subject to the requirements of Sections 11010 and 11018.2 of the Subdivided Lands Law as soon as he broaches the subject of dividing a 10-acre parcel and selling the resultant parcels. While the opinion does not address itself expressly to the question of the need for "B" to obtain a public report if "B" proposes to "C", "D", "E" and "F" that the 2½-acre parcels be listed for sale with a broker unrelated to "B", one can reach the conclusion that "B" must file a notice of intention in those circumstances following the rationale employed by the Attorney General.

* Quartering (also referred to as 4 x 4ing) is the process by which the division of a parcel of land into more than four component parcels is effected without compliance with the provisions of the Subdivided Lands Law through a succession of divisions and conveyances by ostensibly independent, unrelated owners.

Savings and Loan Associations

FAIR LENDING REGULATIONS

The California Department of Savings and Loan has certain regulations that are of interest to consumers and real estate licensees. These regulations, effective since August 1976, encourage lending in areas and to persons that have been deprived of loans and establish procedures for filing and resolving complaints of lending discrimination.

Prohibited Considerations

State licensed savings and loan associations affected by these "Fair Lending" regulations are prohibited from considering certain factors including the following when granting or denying a loan or when setting the terms and conditions of the loan:

- neighborhood trends or conditions and characteristics
- race, color, national origin, or ancestry
- religion
- sex or marital status
- age

Neither can an association engage in a system or lending practice which results in discriminatory effects against a particular group nor can a property appraisal consider racial or ethnic composition of the neighborhood or area.

Pamphlet Available

Associations are further required to make a pamphlet available to the public describing lending criteria of the particular association. The pamphlet must also contain a statement advising that all persons have the right to file a written application for a home mortgage loan.

Consumer Assistance

Real estate licensees have close contact with savings and loan associations in connection with shopping for loans for property purchasers. If an act of discrimination by an association denying a loan to an applicant is suspected, the fact should be brought to the attention of the *Consumer Assistance Section* of the Department of Savings and Loan at one of the following addresses:

600 S. Commonwealth Avenue
15th Floor, Los Angeles 90005
Phone: (213) 736-2596

350 Sansome Street
2nd Floor, San Francisco 94104
Phone: (415) 557-3666

The full text of the "Fair Lending" regulations may be obtained from the Department of Savings and Loan at either of the above addresses.

DRE Spotlights....

OFFERING AND SECURITIES

W. J. (Jerry) Thomas heads up the Offering and Securities Division of the DRE in addition to serving as its Chief Counsel.

He has overall responsibility for administration of the department's subdivided lands functions and regulation of the offering of real estate syndicate securities and real property securities.



The Subdivision Section, has offices in Los Angeles, San Francisco and Sacramento where applications for public reports to sell subdivided lands are processed. In addition, the headquarters office in Sacramento is responsible for such varied functions as; the screening and approval of proposed subdivision advertising, the processing of applications for permits to sell out-of-state subdivided lands in California, and for the rendering of assistance to homeowners' associations.

Approximately 50 DRE employees are assigned to subdivision functions.

The DRE's staff of 14 attorneys in three offices handle applications for permits to sell real estate syndicate securities, prosecution of disciplinary proceedings against licensees and applicants for licensees, the analysis of governing instruments for subdivisions, the administration of the department's Recovery Fund, and legislative bill analyses.

Thomas is a graduate of the United States Naval Academy and obtained his law degree from the University of San Francisco.

Prior to joining the DRE legal staff in 1963 he was with the Department of Alcoholic Beverage Control. From 1964 through 1970, he was the Attorney in charge in the San Francisco office and has been the DRE Chief Counsel since early 1971.

Editor's note: In the Fall/Winter 1976 issue of the Bulletin brief mention was made of some departmental restructuring by Real Estate Commissioner David H. Fox. The following article describes several of the new divisions, and units as well as those who have been appointed to lead them.

CONSUMER EDUCATION

Prem L. Hunji is the Director of the recently established Consumer Education Unit for the Department of Real Estate. Her responsibilities include implementation of effective substantive communications between the department and all of its clients—consumers and licensees—regarding each of its principal program and statutory functions. Her unit will be developing programs and policies which insure that real estate buyers, sellers, and licensees clearly understand their rights and obligations, and receive the full services of the department. Her unit is also responsible for all departmental media relations.

Ms. Hunji's background includes broad experience in human relations and news media. Prior to joining the department in

November, she coordinated the Governor's Office student intern program, directing the research of 22 college and university assistants.

She has prior experience as an investigator in the Public Defender's Office, and as a staff member of the Legal Aid Society dealing with numerous consumer and human relations problems. She has also handled press relations for several legislative and statewide election campaigns, and served on the staff of Senator Omer L. Rains (D-Ventura).

Ms. Hunji was born in Yuba City and attended California State University at Sacramento. She is presently a third year evening law student.



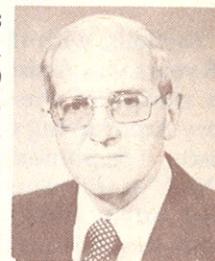
POLICY AND PLANNING

Departmental reorganization by Commissioner Fox has included establishing a Division of Policy and Planning headed by Assistant Commissioner John E. Hempel. This new division administers the DRE's legislative program, the education, research, and course approval functions, and the development and evaluation of proposed and existing departmental policies.

These programs involve liaison with over 100 community colleges and state universities and colleges throughout California, analysis of legislation of concern to the department, development of department legislative proposals, implementation and direction of real estate related research, and review and approval of course offerings by private real estate schools.

Before this current assignment, Hempel served as Chief Deputy Director for the department for a period of 14 years, including an 18 month period to September of 1976 when he functioned as the Chief Executive Officer for the department. Hempel has been with the department since 1954.

For 12 years prior to entering state service, he was a real estate licensee in San Clemente during which time he served as president of the real estate board and as a member of both the city council and the city planning commission. Hempel was president (1968) of and currently serves on the Executive Committee of the National Association of Real Estate License Law Officials, an organization composed of members of real estate departments and commissions from the various states and provinces of Canada.



Things And People...

RETIREMENTS

Recent retirements of DRE employees include *Richard B. Nicholls*, Assistant Commissioner Northern Regulatory Area, *John Lazur*, Chief Deputy Subdivision Section; *Fred W. Parsons*, Senior Deputy Regulatory Section, all of the San Francisco Office and *Richard Wyndhamsmith*, Associate Appraiser, Los Angeles Office.

Nicholls, with the DRE for nearly 16 years was Assistant Commissioner in charge of the Northern Regulatory Area having offices in San Francisco, Sacramento and Fresno. "Nick" is still remaining active in the real estate field, taking a position with the Arizona Real Estate Commission in Phoenix. Lazur was with the department for 19 years during which time he headed the Los Angeles District Office and the San Francisco Subdivision Section. Parsons, a retired Commander U.S. Coast Guard, joined the department in 1966. He worked in the Los Angeles Office and later headed one of the regulatory sections in San Francisco. Wyndhamsmith was active in the appraisal field for 18 years prior to joining the department in 1970. He was involved in subdivision appraising including many appraisals on out-of-state subdivisions to be offered for sale in California.

NARELLO President

The National Association of Real Estate License Law Officials (NARELLO), of which the Department of Real Estate is a member, has elected Donald M. Tallman as President for 1977.

Tallman is a Chief Deputy Commissioner for the DRE presently assigned to real estate education and research.

(Continued from page 3)

LICENSES REVOKED WITH RIGHT TO A RESTRICTED LICENSE

Morgan, Patrick Albert (RES) 444 S. Backer, Fresno	8/23/76	490, 10177(b)
(Right to RRES license on terms and conditions)		
Becker, William Charles (REB) 17 West 41st Ave., San Mateo	8/24/76	490, 10177(b)
(Right to RREB license on terms and conditions)		
Simon, Philip Rackley (RES) 14620 Tomki Rd., Redwood Valley.....	8/24/76	490, 10177(b)
(Right to RRES license on terms and conditions)		
Flynn, Robert Ambrose (REB) 17951 Tonerero Rd., Apple Valley	9/1/76	10177(j)
Dbn—Boulevard Realty		
(Right to RREB license after 60 days on terms and conditions)		
Nelson, Orson Hyrum (REB) 1121 Aviation Blvd., Hermosa Beach.....	9/7/76	10177(f)
(Right to RREB license after 30 days on terms and conditions)		
Papworth, Lynn David (RES) 5521 Edgemere Dr., Torrance.....	9/7/76	10177(g)
(Right to RRES license after 30 days on terms and conditions)		
Bilton, Emerson Graham (REB) 2554 Wyndham Ln., Redding	9/15/76	10142, 10176(a) (i)
(Right to RREB license on terms and conditions)		
Lawrence, Jane (RES) 9040 Harratt, # 30, Los Angeles	9/15/76	490, 10177(b)
(Right to RRES license on terms and conditions)		
Morrell, Richard Joseph		
(REB) (REO) 3392 Clayton Road, Concord	10/29/76	10145, 10176(a) (e) (i), 10177(d) (f)
Officer—Morrell Realty Incorporated		
(Right to RRES license on terms and conditions)		
Jorgensen, Claude Elmer (REB) 4140 Monterey Rd., San Jose	11/26/76	10145, 10177(d)
Dbn—Action Realty		
(Right to RREB license on terms and conditions)		
Wittbrodt, Robert Francis (RES) 1175 Saratoga Ave., San Jose	12/16/76	490, 10177(b)
(Right to RRES license on terms and conditions)		

LICENSES SUSPENDED

Name	Address	Effective date	Violation Business and Professions Code/Commissioner's Regulations
Lomonaco, Gus James (RES) 119 S. Mission Dr., San Gabriel.....		7/7/76	490, 10177(b)
		60 days	
Warren, Kenneth Donald (RES) P.O. Box 1325, Barstow		7/15/76	10137, 10145, 10176(e) (i),
		30 days	10177(d)
Handeland, Myrlan Dale (RES) 3500 Armourdale Ave., Long Beach		7/19/76	10177(d), 11010, 11018.2
		30 days	
La Motte, Palmer Henry (RES) 2117-56th Ave., Sacramento		7/19/76	490, 10177(b)
		1 year	
Silvestre, Gloria J. (RES) 984 Lupin Dr., Ste. 2, Salinas.....		7/30/76	10137, 10177(d)
		6 months	
O'Brien, Patrick Kevin (RES) 1477 S. Manchester, Anaheim		8/10/76	10176(a)
		20 days	
Johnson, Edgar Lee (REB) 5028 Verdun Ave., Los Angeles		8/31/76	10176(a) (e) (i)
		30 days	
Barfuss, Leo Junior (RES) 2975 Fairview Rd., Costa Mesa		9/23/76	10176(i), 10177(j)
		30 days	
Alvis, Antonette (REB) 2211 Royale Road, Sacramento		11/15/76	10176(a) (b)
Musitelli, Dorothy Delilah		15 days	
(REB) (REO) 6828 Highway 9, Felton		12/20/76	10176(a)
		30 days	
Maloff, Sasha (RES) 1200 Mt. Diablo Blvd., Walnut Creek		12/31/76	10177(f) (j)
		180 days	

LICENSES SUSPENDED WITH STAYS

Name	Address	Effective date	Violation Business and Professions Code/Commissioner's Regulations
* Webb, James Philip (REB) 34202 Coast Hwy., Dana Point		3/2/76	10176(a) (i)
(Stayed for 1 year on terms and conditions)		10 days	
* Michel, Julius Leon (REB) 101670 Castine Dr., Cupertino		6/29/76	10177(h), 11010.5, 11018.2
(Stayed for 1 year on terms and conditions)		10 days	
Long, John Quimby (REB) 240 Bernard St., Bakersfield.....		7/1/76	10177(d), 11010, 11018.2
(Stayed for 1 year on terms and conditions)		10 days	
Melvill, Leslie Derrick (REB) 11893 1/2 Tiara, N. Hollywood		7/1/76	10176(a) (i), 10177(f)
(All but 60 days stayed for 1 year on terms and conditions)		180 days	
Phillips, Augustus Jr. (REB) (REO) .. 3262 W. Slauson, Los Angeles		7/26/76	10176(e) (i), 10177(j)
(Stayed for 2 years on condition)		30 days	
Meier, Lloyd Alan (REB) 1615 Dayton Rd., Chico.....		8/16/76	10177(d)
(All but 10 days stayed for 1 year on conditions)		90 days	
Meier, Norma Lee (RES) 1615 Dayton Rd., Chico.....		8/16/76	10177(d)
(Stayed for 1 year on conditions)		90 days	
Pompa, Melque Archuleta (RES) 667 Sebastopol St., Claremont		8/17/76	490, 10177(b)
(Stayed for 1 year on conditions)		30 days	
Stadtlander, William Gene (REB) 12571 S. Harbor Blvd., Garden Grove.....		8/17/76	490, 10177(b)
Dbn—Good Earth Realty		100 days	
(Stayed for 1 year on conditions)			
Gallipeau, Gregoire Francois (RES) c/o Vincent, 308 Greenwich, San Fran-		8/23/76	490, 10177(b)
(All but 5 days stayed for 2 years cisco on conditions)		90 days	
Wade, Lloyd B. (REB) 17705 Hale Ave., Ste. 5, Morgan Hill.....		8/23/76	10176(e), 10177(d), 2731
(Stayed for 1 year on conditions)		50 days	
Dynan, George Edward Jr. (RES) 157 Mountain Ave., Piedmont		10/4/76	490
(Stayed for 1 year on terms and conditions)		30 days	
Munoz, Donald Lee (REB) 2412 L St., Antioch.....		10/4/76	10177(d), 11012, 11013.2
(Stayed for 1 year on conditions)		30 days	

(Continued on page 8)

(Continued from page 1)

New Regulations

copy of an instrument to the party or parties who have signed or initialed the instrument.

DISCLOSING COMPENSATION

Regulation 2904 now specifies that it is a substantial misrepresentation for a real estate licensee who is acting as agent in a transaction to fail to disclose to the principals, the form, amount and source of compensation that he has received or expects to receive from a lender in connection with obtaining financing for the transaction.

Those regulation changes for administration of the Subdivided Lands Law are as follows:

REQUIRED DOCUMENT SAMPLES

A new Regulation 2792.6 has been adopted for the principal purpose of prescribing in greater detail the nature and content of evidence of title and sample escrow instructions to be submitted by an applicant for a public report for a condominium project or planned development.

ASSESSMENTS AND LIENS

Regulation 2792.16 is amended for the purpose of prescribing the date for commencing assessments against units in the second and subsequent phases of a phased common-interest subdivision.

OWNERS' ASSOCIATION REPRESENTATION

The amendment of Regulation 2792.19 is for the purpose of insuring greater resident-owner representation on the governing body of the owners' association in common-interest subdivisions.

VOTING REQUIREMENTS

Regulation 2792.24 will clarify the voting requirements for amendments of the governing instruments for a common-interest subdivision development both in a two-class and in a single-class voting structure.

DEVELOPMENT PLAN

Regulation 2792.27 has been amended to require that the subdivider of a multi-phase, common-interest subdivision furnish the department with his overall development plan in as much detail as possible at the time that application is made for a public report for the first phase of the development.

Your Attention Please!

Here are a couple of reminders that will help brokers, salesmen, and the DRE when making a change to the department license records.

ONE—If you're an *active broker* (meaning your license is active, not that you do or don't do a lot of business) and wish to change your business address, promptly submit a letter to DRE at 714 P Street, Sacramento 95814 (or personally go to any DRE district office) giving the old address, the new address, your license identification number and the names of any real estate salesmen you have. Regardless of the number of salesman you have the fee is a total of \$4.00 for the address change. Since new license certificates are not issued for address changes, the new address is to be entered on the reverse side of all licenses along with the date the change was made. Also, initial the entry.

TWO—Sometimes brokers work for other brokers in the same manner as a salesman. On the department records however a broker is shown as a broker regardless of employment agreement therefore, when the *employer* broker changes the business address as described above, the *employed* broker must also submit a letter and \$4.00 fee to make the same address change on the record. He should not be listed among the salesman licensees of the *employer* broker since a fee and personal notification is also needed from him to change the DRE record.

MATERIAL CHANGES

Regulation 2800 enumerates 15 events in the marketing and developing of a subdivision project which constitute "material changes" requiring that notification be given by the subdivider to the department.

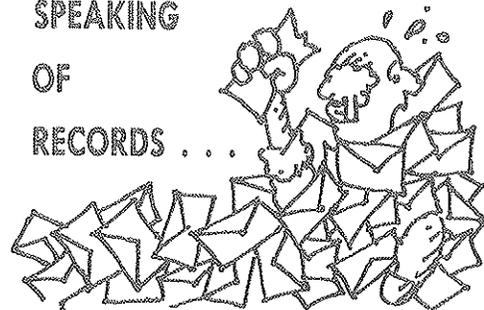
ENVIRONMENTAL IMPACT EVALUATION

Regulations 2822, 2822.1, 2822.2, 2822.4 and 2823, all involving environmental impact evaluation, are amended in minor respects to conform to recent amendments to the environmental Guidelines of the Resources Agency for implementation of the California Environmental Quality Act.

EIR—FEE CHANGE

Regulation 2823.1 increases the fees payable to the department for the preparation of an environmental impact report and a negative declaration in those cases where the department is acting as lead agency for environmental impact evaluation.

SPEAKING OF RECORDS . . .



The department receives a lot of mail from licensees for a variety of things, from license applicants and from the general public. March 1977, however, saw more mail arrive at the DRE Sacramento office than any other month; 41,149 pieces to be exact. In fact, for the previous 12 months we received 377,173 pieces of mail in Sacramento, more than any prior 12-month period. Much of the mail increase is due to new license applicants as mentioned in the *Real Estate Examination Report* elsewhere in the *Bulletin*.

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**INDEX FOR 1976
 REAL ESTATE BULLETINS—
 BY ISSUE AND PAGE**

ADVERTISING:
 Subdivision Advertising..... Sum.—4
 Visual Communication Wins Spr.—5

AGENCY:
 Broker Agent of Whom?..... Sum.—6
 Friendship Does Not Diminish Duty Sum.—5
 Have Buyers? Better Produce Them Sum.—6

COMPENSATION:
 What About Finders Fees? Spr.—4

CONSUMER EDUCATION:
 Mobilehome Park Tenants' Rights Enlarged Spr.—6
 Podemos Ayudarle? Spr.—6
 Real Estate Unit for High Schools Sum.—1
 Tenant Rights Fall/Win.—3

DEPARTMENT OF REAL ESTATE:
 Fox Appointed Commissioner..... Fall/Win.—1
 Things and People
 promotions Spr.—3; Fall/Win.—3
 retirements..... Sum.—3; Fall/Win.—3
 transfers..... Fall/Win.—3

DISCLOSURE:
 Contract in Spanish Sum.—5
 National Flood Insurance Program Fall/Win.—7
 Special Studies Zone Act Summarized Fall/Win.—6
 Test Your Knowledge Sum.—4

DISCRIMINATION:
 Hearings Disclose Abuses..... Sum.—1
 State and Federal Fair Housing Laws Fall/Win.—8

DISHONEST DEALING:
 Dishonest Dealing by Broker Acting as a Principal Sum.—6

EDUCATION:
 Author Wanted Fall/Win.—6
 Continuing Education Fall/Win.—8

EXAMINATIONS:
 Exam Study Manual..... Spr.—7
 Multi-State Exams Pass 200,000 Mark Sum.—1

LEGISLATION:
 Legislative Summary Fall/Win.—4
 Mobilehome Park Tenants' Rights Enlarged Spr.—6
 Mortgage Loan Prepayment Charges Spr.—5
 Mortgage Loans Spr.—7
 1976 Regulations Highlighted Spr.—1
 Recovery Fund Availability Expanded Spr.—6

LICENSING:
 Continuing Education Fall/Win.—6
 License Expired? Sum.—5

LOANS:
 Contract in Spanish Sum.—5
 Eligibility Misrepresented Sum.—7
 Mortgage Loan Prepayment Charges Spr.—5
 Mortgage Loans Spr.—7

RESEARCH REPORTS:
 (The) Impact of Real Estate Franchise on the Real Estate Industry Sum.—5
 Licensing of Real Estate Brokers as Underwritten Title Insurance Agents Fall/Win.—5
 Outline for Advanced Univ./College Courses in Real Estate Fall/Win.—4
 Reveille for the Small Brokerage firm: Economic influences in the 1970's Fall/Win.—5
 (A) Study of Members of the Black Community's Involvement in Real Estate Education Spr.—6

RECOVERY FUND:
 Recovery Fund Availability Expanded Spr.—6

SUBDIVISIONS:
 HUD Condo Study Spr.—7
 Special Studies Zone Act Summarized Fall/Win.—6
 Subdivision Advertising..... Sum.—4

TRUST FUNDS:
 Trust Fund—D&R's Have Salutary Effect..... Sum.—7

(Continued from page 6) LICENSES SUSPENDED WITH STAYS

Norman, Bobby (RES) 21733 Ventura Blvd., Woodland Hills 10/12/76	10176(a) (e) (i)
(All but 15 days stayed for 1 year on terms and conditions)	30 days
Tompkins, Lester E. (REB) P.O. Box 845, 35549 Highway 190, Spring-ville..... 11/15/76	10177 (d), 11010, 11018.2
(Stayed for 2 years on terms and conditions)	60 days
Rosselli, Peter Joseph (REB) 105 G Street, Antioch 11/16/76	10145, 10176(e), 10177 (d)
Dbas—Apollo Realty (Stayed 1 year on terms and conditions)	30 days
Trent, Frank (REB) 1111 Scott Street, San Diego 11/18/76	10145, 10176(a) (i), 10177 (d), 2832
(Stayed 2 years on condition)	30 days
Cebrian, Jose Anthony (RES) 120 Bush Street, San Francisco 11/19/76	10137, 10177 (d)
(Stayed 1 year on conditions)	15 days
Osborne, George Baynard III (REB) 930 Santa Cruz Avenue, Menlo Park..... 11/29/76	10162, 10177 (d), 2715
(After 30 days may be stayed on condition)	to & incl. 3-6-77
Tandy, Oscar Frasier (REB) 1460 Jefferson Street, Napa 12/9/76	10177 (f)
(Stayed 1 year on condition)	30 days
Deauville, Charles George (REB) ... 234 Abbott St., Salinas 12/20/76	10176(a), 10177 (g)
(Stayed for 1 year on terms and conditions)	30 days
Fears, Jeffrey Read (RES) P.O. Box AC, Los Gatos 12/20/76	490, 10177 (b)
(Stayed for 2 years on terms and conditions)	30 days
Rogers, Joe (REB) 541 Del Medio Ave., #137, Mountain View..... 12/20/76	10176(a), 10177 (g)
(Stayed for 1 year on terms and conditions)	30 days
Liu, Tommy Jr. (REB) (REO)..... 4352 Broadway, Oakland..... 12/27/76	10177 (f)
(Stayed for 3 years on terms and conditions)	90 days
Nielsen, Gary Walter (RES) 2554 Grove St., Berkeley..... 12/27/76	490, 10177 (b)
(Stayed for 1 year on condition)	30 days
Rental Finders Realty, Inc. (REC) .. 4352 Broadway, Oakland..... 12/27/76	10177 (f)
(Stayed for 3 years on terms and conditions)	90 days

INDEFINITE SUSPENSIONS UNDER RECOVERY FUND PROVISIONS

Name	Address	Date	Fund Payout
Adams, Willie (REB).....	1125 Glenview, West Covina.....	7/7/76	\$2,886.40
Miles, Thomas J. (REB).....	3251 Grove Street, Oakland.....	7/20/76	\$6,416.80
Jellins, Kenneth M. (REB).....	980 Bush Street, Apt. 405, San Francisco.....	7/27/76	\$10,000.00
Cassidy, Richard W. (REB).....	518 Haddon Road, Oakland.....	8/2/76	\$2,651.00
Harris, Robert E. (REB).....	79 Westhaven Drive, Daly City.....	8/24/76	\$6,386.00
Keefer, Warren Dale (RES).....	1310 Schoolhouse Road, Santa Barbara.....	8/24/76	\$20,000.00
Turkmany, George (REB).....	321 Modoc Avenue, Oakland.....	9/15/76	\$1,500.00
D'Orazi, Victor W. (REB).....	362 Kearney Street, San Francisco.....	9/21/76	\$20,000.00
Smith, Doreen (MOG).....	100 N. Arlington Avenue #11E, Reno, NV.....	9/21/76	\$1,885.21
Swartzwelder, Hubert Paul (REB).....	P.O. Box 31, Salisbury, PA.....	9/21/76	\$9,000.00
Spradley, Harold Marcellus (REB) ..	4708 Market Street, San Diego.....	11/2/76	\$1,038.00
Miranda, James H. (REB).....	2202 South Forest Avenue, Santa Ana.....	11/18/76	\$5,000.00
Smith John L. (REB).....	705 North Santa Fe Avenue, Vista.....	12/15/76	\$7,833.40
Dbas—Service Realty			

STUDY NOW AVAILABLE

"An Appraisal of Environmental Protection Legislation and Administration Upon the Economy in General and Upon Real Estate Development in Orange County in Particular" by William J. Tater, Research Economist, California State University, Fullerton, is available for \$1.50 plus tax. Write Department of Real Estate, 714 P Street, Sacramento, California 95814.